

STATEMENT OF EMERGENCY

702 KAR 3:270E

Pursuant to KRS 13A.190(1)(a) and KRS 39A.180, the promulgation of this emergency regulation is necessary to meet an imminent threat to public health, safety, or welfare; to protect human health; and to prevent loss of state funds. On March 6, 2020, Governor Andy Beshear signed Executive Order 2020-215 declaring a State of Emergency created by the Novel Coronavirus (COVID-19). In response to this emergency situation, all school districts closed schools to in-person classes beginning the week of March 16, 2020. On March 18, 2020, Governor Beshear entered Executive Order (EO) 2020-243 which encouraged all Kentucky citizens take feasible measures to engage in appropriate social distancing as recommended by the Centers for Disease Control and Prevention (CDC) and Kentucky Department of Public Health. Further, EO 2020-243 ordered the Kentucky Department of Education (KDE) to take steps to ensure appropriate social distancing, including permitting educational requirements to be satisfied through online courses, to the extent practicable. EO 2020-243 suspended statutes requiring physical presence of participants in meetings or interactions. Kentucky public schools remained closed to in-person classes for the remainder of the 2019-20 school year to prevent the spread of COVID-19. This emergency administrative regulation is being filed to allow school districts the ability to provide and to receive funding for a variety of instructional delivery models to meet the needs of their students and communities in light of continued COVID-19 risks and necessary prevention measures. These models include traditional in-person instructional days, periods of complete virtual learning through Non-Traditional Instruction (NTI), and days of blended in-person and NTI delivery. This emergency regulation is temporary in nature and will expire as provided for in 13A.190. An ordinary administrative regulation would not timely address the need for school districts to plan for and deliver instruction for the 2020-21 school year.

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Andy Beshear, Governor

1 EDUCATION AND WORKFORCE DEVELOPMENT CABINET

2 Kentucky Board of Education

3 Department of Education

4 (Emergency Amendment)

5 702 KAR 3:270E. SEEK funding formula.

6 RELATES TO: KRS 156.035, 156.070, 157.320, 157.360, 157.370, 157.390, 157.410,  
7 157.430, 157.440, 157.615, 157.620(1)(a), 158.060(1), 158.135, 160.470, 160.476

8 STATUTORY AUTHORITY: KRS 156.035, 156.070, 156.160(1)(j)

9 NECESSITY, FUNCTION, AND CONFORMITY KRS 156.035 and 156.070 set forth the  
10 Kentucky Board of Education's plenary powers over the management and control of local school  
11 districts and disbursement of state appropriations. KRS 156.160(1)(j) requires the Kentucky Board  
12 of Education to promulgate administrative regulations for the preparation of budgets and salary  
13 schedules for the school districts under its management and control. This administrative regulation  
14 is necessary to provide guidelines for the calculations to distribute the funds to school districts  
15 through the program to Support Education Excellence in Kentucky (SEEK).

16 Section 1. Definitions. (1) "At-risk student amount" means fifteen (15) percent of the per  
17 pupil guaranteed base funding amount calculated pursuant to KRS 157.360 times the sum of the  
18 average daily membership of students approved for free meals the prior fiscal year and the number  
19 of state agency children served pursuant to KRS 158.135.

20 (2) "Calculated base SEEK funding" means the guaranteed base funding provided in the  
21 biennial budget pursuant to KRS 157.360(1) plus the add-on components of the SEEK calculation

including at-risk, home and hospital, students with disabilities and transportation pursuant to KRS 157.390(5) and the add-on calculation for students with Limited English Proficiency.

(3) "Collection rate" means the tax receipts collected for the prior year divided by the maximum revenue collectible.

(4) "Exceptional child amount" means the December 1 exceptional child count of the preceding fiscal year by exceptionality weighted as follows:

(a) 2.35 times the per pupil base funding amount calculated pursuant to KRS 157.360(1) for students with severe disabilities;

(b) 1.17 times the per pupil base funding amount calculated pursuant to KRS 157.360(1) for students with moderate disabilities; and

(c).24 times the per pupil base funding amount calculated pursuant to KRS 157.360(1) for students with communications disabilities.

(5) "Growth" means the percent change in the second month average daily attendance times the prior year adjusted average daily attendance pursuant to KRS 157.360(8).

(6) "Home and hospital instruction amount" means the total of the prior year's home and hospital average daily attendance times the per pupil base funding amount calculated pursuant to KRS 157.360(1), less the allotment for capital outlay as set forth in the biennial budget.

(7) "LEP" means a student with Limited English Proficiency, as defined in 703 KAR 5:001, Section 1(52).

(8) "Levied equivalent tax rate" means estimated permissive tax revenue plus the current year's levied real estate tax rate, tangible tax rate and motor vehicle tax rate per \$100 of assessed value times the current year's assessment of real estate, tangible property and motor vehicles times the

prior year's collection rate divided by the total current year's property and motor vehicle assessment.

(9) "Maximum revenue collectible" means the figure determined by multiplying the sum of the respective yields of the prior year levied rates by the prior year assessed values of real estate, tangible property and motor vehicles, and then adding the result to the prior year's permissive tax revenue.

(10) "Net General Fund SEEK" means Total State SEEK minus any allocation for Capital Outlay.

(11) "Partial Day" means a day containing less time than a regular school day which a student attends on a regular basis as approved by the local board of education.

(12) "State equalization amount" means 150 percent of the statewide average per pupil property assessment as provided in the biennial budget.

(13) "Tier I revenue" means revenue produced by a school district tax levy which, when equalized by state funds with the state equalization amount established by KRS 157.440(1)(a), generates up to the maximum revenue allowable under KRS 157.440(1)(a).

(14) "Transportation funding" means prior fiscal year calculated transportation costs for students in grades primary through twelve (12) transported by school districts as calculated pursuant to KRS 157.370 and 702 KAR 5:020 adjusted by current year second month growth in transported students.

Section 2. Applicability. Notwithstanding any administrative regulation promulgated by the Kentucky Board of Education to the contrary, the provisions of this emergency administrative regulation shall apply to the 2020-21 school year only. To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a

variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and (16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1,C,1(2) and (4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

Section 3. SEEK Calculation Formula. (1) For school year 2020-21, the Kentucky Department of Education shall use the school district attendance data selected by the district pursuant to Senate Bill 177 (2020) to calculate the average daily attendance used in calculating Support Education Excellence in Kentucky funds as well as for any other state funding based in whole or in part on average daily attendance for the district, except that a district shall receive an amount equal to one-half (1/2) of the state portion of the average statewide per pupil guaranteed base funding level for each student who graduated early under the provisions of KRS 158.142.

(3) Current year data shall be used for property assessments per 160.470(5), district tax rates levied, equivalent tax rates based on tax levies, exceptional and LEP student counts, and state equalization.~~SEEK Calculation Formula. (1) Required data for the SEEK calculation shall include:~~

- ~~—(a) Property assessments from the Department of Revenue provided pursuant to KRS 160.470(5);~~
- ~~—(b) Tax rates levied by school districts;~~
- ~~—(c) Equivalent tax rates based on tax levies;~~
- ~~—(d) Home and hospital average daily attendance reported on the Superintendent's Annual Attendance Report (SAAR);~~

1 ~~—(e) Prior year adjusted average daily attendance (AADA) reported on the SAAR (calculated~~  
2 ~~according to the formula in subsection (4) of this section);~~

3 ~~—(f) The growth factor report;~~

4 ~~—(g) Transportation funding calculated pursuant to KRS 157.370 and 702 KAR 5:020; —(h) The~~  
5 ~~prior year average daily membership of students approved for free lunch reported through the~~  
6 ~~student information system;~~

7 ~~—(i) The number of exceptional students ages five (5) through twenty (20) in each disability~~  
8 ~~category on December 1 of each year as reported through the student information system;~~

9 ~~—(j) The number of LEP students as reported through the student information system; and~~

10 ~~—(k) The state equalization amount as provided in the biennial budget.~~

11 ~~—(2) Assumptions used in the SEEK calculation shall include:~~

12 ~~—(a) Equivalent tax rates (ETR) shall be the lower of the ETR levied in the prior odd numbered~~  
13 ~~year under KRS 157.440 and the current year; and~~

14 ~~—(b) Percentage reduction in the allotments may be made to at-risk student, exceptional child,~~  
15 ~~LEP, and home and hospital instruction amounts and to the state portion of Tier I funding and to~~  
16 ~~transportation funding due to appropriations in the biennial budget.~~

17 ~~—(3) AADA shall be calculated for students in grades primary through twelve (12) as follows:~~

18 ~~—(a) Average daily attendance (ADA) shall be calculated as required by the definition in KRS~~  
19 ~~157.320(1).~~

20 ~~—(b) AADA shall be determined as follows:~~

21 ~~—1. Subtract the total of the following items from the ADA:~~

~~—a. The ADA for noncontract, nonresident students as reported by local school districts; —b. One-half (1/2) of the total aggregate kindergarten days attendance divided by the number of days taught; and~~

~~—c. The ADA for over-age students and under-age students not qualifying for funding pursuant to 702 KAR 7:125; and~~

~~—2. Add the ADA for virtual school and performance-based learning to the result of subparagraph 1 of this paragraph.~~

~~—(4) The SEEK calculation shall be determined as follows:~~

~~—(a) Calculated base SEEK funding shall be determined as follows:~~

~~—1. Multiply the sum of prior year AADA plus growth by the per pupil guaranteed base funding amount calculated pursuant to KRS 157.360(1).~~

~~—2. Add the following items to the result of the calculation in subparagraph 1 of this paragraph:~~

~~—a. The at-risk student amount;~~

~~—b. The home and hospital instruction amount;~~

~~—c. The exceptional child amount;~~

~~—d. The transportation amount; and~~

~~—e. The LEP student amount.~~

~~—(b) The calculated state SEEK portion shall be the calculated base SEEK funding minus the local effort required pursuant to KRS 157.390(5).~~

~~—(c) The total state SEEK funding amount shall be determined as follows:~~

~~—1. Add the total of the following items to determine a subtotal~~

~~—a. The Calculated State SEEK portion;~~

~~—b. The total state Tier I funding, in accordance with subsection (6) of this section;~~

- ~~1 —c. The hold harmless provision, if provided in the biennial budget; and~~
- ~~2 —d. the pro rata adjustments under KRS 157.430, if any.~~
- ~~3 —2. Apply prior year adjustments, if any, to the subtotal in subparagraph 1 of this paragraph.~~
- ~~4 —(5)(a) The Calculated Base SEEK Funding used in determining Tier I tax rate and funding~~  
~~5 levels shall include the full value of all add-on items before application of any pro rata reductions.~~
- ~~6 —(b) The maximum Tier I equivalent tax rate allowable pursuant to KRS 157.440(1) shall be~~  
~~7 determined as follows:~~
- ~~8 —1. Multiply the per pupil Calculated Base SEEK Funding by fifteen (15) percent.~~
- ~~9 —2. Divide the product of subparagraph a. of this paragraph by the greater of the state~~  
~~10 equalization amount and the local district per pupil assessment.~~
- ~~11 —3. Add the required minimum equivalent tax rate under KRS 160.470 and KRS 157.620(1)(a)~~  
~~12 and any other equivalent tax rates restricted to the building fund as authorized by the General~~  
~~13 Assembly to the result of subparagraph b. of this paragraph. (6) State Tier I funding formula:~~
- ~~14 —(a) For local districts which have levied at or above the maximum Tier I equivalent tax rate~~  
~~15 under KRS 157.440(1)(a), the state Tier I funding formula shall be determined as follows:~~
- ~~16 —1. Calculate the total Tier I revenue by multiplying the total Calculated Base SEEK Funding~~  
~~17 pursuant to KRS 157.360 times the maximum Tier I participation of fifteen (15) percent pursuant~~  
~~18 to KRS 157.440(1)(a).~~
- ~~19 —2. Calculate the total per pupil Tier I revenue by dividing the total Tier I revenue by the sum of~~  
~~20 the prior year AADA plus growth.~~
- ~~21 —3. Calculate the per pupil local portion Tier I funding by dividing the local district per pupil~~  
~~22 assessment by the state equalization amount and multiplying the result by the total per pupil Tier I~~  
~~23 revenue.~~



~~4. Calculate the state portion per pupil Tier I funding by subtracting the per pupil local portion Tier I funding from the total per pupil Tier I revenue.~~

~~5. The total state Tier I funding shall be determined as follows:~~

~~a. Multiply the state portion per pupil Tier I funding by the sum of the prior year AADA plus growth.~~

~~b. Subtract any pro rata adjustments due to appropriation in the biennial budget from the product of subparagraph a. of this paragraph.~~

~~(b) For local districts which have not levied at or above the maximum Tier I equivalent tax rate under KRS 157.440(1)(a), the state Tier I funding formula shall be determined as follows:~~

~~1. Calculate the levied Tier I equivalent tax rate by subtracting the following items from the levied equivalent tax rate:~~

~~a. The required minimum equivalent tax rate under KRS 160.470 and KRS 157.620(1)(a); and~~

~~b. Other equivalent tax rates restricted to the building fund as authorized by the General Assembly.~~

~~2. Calculate the per pupil total Tier I revenue by multiplying the levied Tier I equivalent tax rate times the state equalization amount.~~

~~3. Calculate the per pupil local portion Tier I funding by dividing the local district per pupil assessment by the state equalization amount and multiplying the result by the total per pupil Tier I revenue.~~

~~4. Calculate the state portion per pupil Tier I funding by subtracting the per pupil local portion Tier I funding from the per pupil total Tier I revenue.~~

~~5. The total state Tier I funding shall be determined as follows:~~

1 ~~—a. Multiply the state portion per pupil Tier I funding by the sum of the prior year AADA plus~~  
2 ~~growth.~~

3 ~~—b. Subtract any pro rata adjustments due to appropriation in the biennial budget from the~~  
4 ~~product of subparagraph a. of this paragraph.~~

5 ~~—Section 3. Calculation of State Equalization for the Facilities Support Program of Kentucky~~  
6 ~~(FSPK) and Other Equalized Levies Restricted to the Building Fund.~~

7 ~~—(1) Data required for the state FSPK equalization formula shall include:~~

8 ~~—(a) Property assessments from the Department of Revenue, as required by KRS 160.470(5);~~

9 ~~—(b) Equivalent tax rates based on tax levies from school districts;~~

10 ~~—(c) Prior year AADA plus growth; and~~

11 ~~—(d) State equalization amount.~~

12 ~~—(2) A school district shall not receive state equalization funds until the full equivalent tax~~  
13 ~~required for participation has been levied.~~

14 ~~—(3) The state FSPK equalization amount eligibility calculation shall be determined as follows:~~

15 ~~—(a) The per pupil state FSPK equalization amount shall be determined as follows:~~

16 ~~—1. Calculate the maximum eligibility amount by multiplying the state equalization amount times~~  
17 ~~the required tax levy under KRS 157.440.~~

18 ~~—2. Calculate the local effort by multiplying the per pupil assessment times the required~~  
19 ~~equivalent tax levy under KRS 157.440.~~

20 ~~—3. Subtract the local effort from the maximum eligibility amount.~~

21 ~~—(b) The state FSPK equalization amount shall be determined by multiplying the following three~~  
22 ~~(3) items:~~

23 ~~—1. The per pupil state FSPK equalization amount;~~

- 1   —~~2. The prior year AADA plus growth; and~~
- 2   —~~3. The pro rata adjustments, if any, due to the appropriation in the biennial budget.]~~

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

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(Date)

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Kevin C. Brown  
Interim Commissioner of Education

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(Date)

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Lu Young, Chair  
Kentucky Board of Education

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this proposed administrative regulation shall be held on September 24, 2020, at 10a.m. in the State Board Room, 5th Floor, 300 Sower Blvd, Frankfort, Kentucky. Individuals interested in being heard at this meeting shall notify this agency in writing five (5) working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2020.

**CONTACT PERSON:** Todd G. Allen, Interim General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, Kentucky, 40601, phone 502-564-4474, fax 502-564-9321; email [regcomments@education.ky.gov](mailto:regcomments@education.ky.gov).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 702 KAR 3:270E

Contact Person: Todd G. Allen, Todd.allen@education.ky.gov

Phone Number: 502-564-4474

(1) Provide a brief summary of:

(a) What this administrative regulation does:

For school year 2020-21, this emergency amendment requires the Kentucky Department of Education to use the school district attendance data selected by the district pursuant to Senate Bill (SB) 177 (2020) to calculate the average daily attendance used in calculating Support Education Excellence in Kentucky (SEEK) funding as well as for any other state funding based in whole or in part on average daily attendance for the district

(b) The necessity of this administrative regulation:

This emergency amendment is necessary to prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models that allow for social distancing and remote learning as may be required in response to the COVID-19 public health emergency for the 2020-21 school year.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 156.035 and 156.070 set forth the Kentucky Board of Education's plenary powers over the management and control of local school districts and disbursement of state appropriations. KRS 156.160(1)(j) requires the Kentucky Board of Education to promulgate administrative regulations for the preparation of budgets and salary schedules for the school districts under its management and control. This administrative regulation is necessary to provide guidelines for the calculations to distribute the funds to school districts through the program to Support Education Excellence in Kentucky (SEEK). To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and (16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1, C, 1(2) and (4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation will assist in the effective administration of the statutes by providing guidelines for the calculations to distribute SEEK funds to school districts. To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and

(16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1,C,1(2) and (4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

For the 2020-21 school year, the emergency amendment requires the Kentucky Department of Education (KDE) to use the student attendance data the district chose pursuant to SB 177 (2020). This is in lieu of the funding formula set forth in the existing regulation. The data the district chose pursuant to SB 177 (2020) shall be used to calculate the average daily attendance for SEEK funding purposes as well as for any other state funding based in whole or in part on average daily attendance for the district.

(b) The necessity of the amendment to this administrative regulation:

This emergency amendment is necessary to prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models that allow for social distancing and remote learning as may be required in response to the COVID-19 public health emergency for the 2020-21 school year.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 156.035 and 156.070 set forth the Kentucky Board of Education's plenary powers over the management and control of local school districts and disbursement of state appropriations. KRS 156.160(1)(j) requires the Kentucky Board of Education to promulgate administrative regulations for the preparation of budgets and salary schedules for the school districts under its management and control. This administrative regulation is necessary to provide guidelines for the calculations to distribute the funds to school districts through the program to Support Education Excellence in Kentucky (SEEK). To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and (16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1,C,1(2) and (4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

(d) How the amendment will assist in the effective administration of the statutes:

This administrative regulation will assist in the effective administration of the statutes by providing guidelines for the calculations to distribute SEEK funds to school districts. To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and (16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1,C,1(2) and

(4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

The Kentucky Department of Education and local school districts.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

For the 2020-21 school year, the emergency amendment requires the Kentucky Department of Education (KDE) to use the student attendance data the district chose pursuant to SB 177 (2020). This is in lieu of the funding formula set forth in the existing regulation. The data the district chose pursuant to SB 177 (2020) shall be used to calculate the average daily attendance for SEEK funding purposes as well as for any other state funding based in whole or in part on average daily attendance for the district. The amendment requires the use of certain current year data for early graduation, property assessments per 160.470(5), district tax rates levied, equivalent tax rates based on tax levies, exceptional and LEP student counts, and state equalization

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

There are no expected new costs related to the amendment.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Districts will have the flexibility to respond to the ongoing pandemic through the use of in-person, nontraditional (NTI) and hybrid instructional models without the risk of substantial loss of state funding. Because the NTI model makes traditional attendance recording impracticable, this administrative regulation requires KDE to use the same attendance data that the district chose pursuant to SB 177 (2020). This will allow the district to budget and plan for the 2021-22 school year.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There are no expected additional costs in implementing the emergency amendment.

(b) On a continuing basis: There are no expected on-going costs related to the emergency amendment. This is a temporary emergency amendment necessary only to respond to the current pandemic for the 2020-21 school year.



(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

KDE General Funds

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment:

No new fees or funding are necessary to implement the administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

There are no direct or indirect fees.

(9) TIERING: Is tiering applied? Explain why tiering was or was not used.

Tiering was not applied. This administrative regulation applies uniformly to all school districts.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 702 KAR 3:270E

Contact Person: Todd G. Allen, Todd.allen@education.ky.gov

Phone Number: 502-564-4474

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

The Kentucky Department of Education and local school districts.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 156.035 and 156.070 set forth the Kentucky Board of Education's plenary powers over the management and control of local school districts and disbursement of state appropriations. KRS 156.160(1)(j) requires the Kentucky Board of Education to promulgate administrative regulations for the preparation of budgets and salary schedules for the school districts under its management and control. This administrative regulation is necessary to provide guidelines for the calculations to distribute the funds to school districts through the program to Support Education Excellence in Kentucky (SEEK). To prevent the loss of substantial state funding traditionally based on average daily attendance (ADA) so that districts may utilize a variety of instructional delivery models in response to COVID-19, and pursuant to the authority set forth in Governor's Executive Order 2020-243, KRS 157.360(2), (9)-(11), (13)(a), and (16), and applicable corresponding provisions of 2020 Reg. Sess. Ky. Acts ch. 92, Part 1, C, 1(2) and (4) that allot funding using ADA; and KRS 157.370(3) were suspended for the 2020-21 school year for SEEK funding that will occur during the 2021-22 school year.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

This administrative regulation is not expected to generate any revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

This administrative regulation is not expected to generate any revenue.

(c) How much will it cost to administer this program for the first year?

The regulation is not expected to result in any new costs.

(d) How much will it cost to administer this program for subsequent years?

The regulation is temporary and not expected to result in any new costs.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): N/A.

Expenditures (+/-): N/A.

Other Explanation: